

§ 532.237 Review by the local wage survey committee.

(a) The local wage survey committee shall review all establishment information and survey job data collected in the wage survey for completeness and accuracy and forward all of the data collected to the lead agency together with a report of its recommendations concerning the use of the data. The local wage survey committee may make any other recommendations concerning the wage survey which it considers appropriate.

[46 FR 21344, Apr. 10, 1981. Redesignated at 55 FR 46141, Nov. 1, 1990]

§ 532.239 Review by the lead agency.

(a) The lead agency shall review all material and wage survey data forwarded by the local wage survey committee to:

- (1) Assure that the survey was conducted within the prescribed procedures and specifications;
- (2) Consider matters included in the local wage survey committee report and recommendations;
- (3) Exclude unusable data;
- (4) Resolve questionable job matching and wage rate data; and
- (5) Verify all computations reported on wage data collection forms.

(b) The lead agency shall determine whether the usable data collected in the wage survey are adequate for computing paylines, according to the following criteria:

(1) The wage survey data collected in an appropriated fund wage survey are adequate if the unweighted job matches include at least one survey job in the WG-01 through 04 range, one survey job in the WG-05 through 08 range, and two survey jobs in the WG-09 and above range, each providing at least 20 samples; and at least six other survey jobs, each providing at least 10 samples.

(2) The wage survey data collected in a nonappropriated fund wage survey are adequate if the unweighted job matches include at least two survey jobs in the NA-01 through 04 range providing 10 samples each, one survey job in the NA-01 through 04 range and three survey jobs in the NA-05 through 15 range providing five samples each;

two other survey jobs, each providing at least five samples, and at least 100 unweighted samples for all survey jobs combined are used in the computation of the final payline.

(c)(1) If the wage survey data do not meet the adequacy criteria in paragraph (b) of this section, the lead agency shall analyze the data, construct lines and wage schedules, submit them to the agency wage committee for its review and recommendations and issue wage schedules, in accordance with the requirements of this subpart, as if the adequacy criteria were met.

(2) The lead agency may determine such a wage area to be adequate if the quantity of data obtained is large enough to construct paylines even though it was obtained for fewer than the prescribed number of jobs, or at different grade levels, or in different combinations than prescribed in paragraph (b) of this section.

(3) The lead agency may not determine a nonappropriated fund wage area to be adequate if fewer than 100 usable unweighted job matches were used in the final payline computation.

(d) If the lead agency determines a wage area to be inadequate under paragraph (c) of this section, it shall promptly refer the problem to OPM for resolution. OPM shall:

(1) Authorize the lead agency to continue to survey the area if the lead agency believes the survey is likely to be adequate in the next full-scale survey;

(2) Authorize the lead agency to expand the scope of the survey; or

(3) Abolish the wage area and establish it as part of one or more other wage areas.

[46 FR 21344, Apr. 10, 1981, as amended at 55 FR 46140, Nov. 1, 1990. Redesignated at 55 FR 46141, Nov. 1, 1990]

§ 532.241 Analysis of usable wage survey data.

(a)(1) The lead agency shall compute a weighted average rate for each appropriated fund survey job having at least 10 unweighed matches and for each nonappropriated fund job having at least 5 unweighed matches. The

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weighted average rates shall be computed using the survey job data collected in accordance with §§ 532.235 and 532.247 and the establishment weight.

(2)(i) Incentive and piece-work rates shall be excluded when computing weighted average rates if, after establishment weights have been applied, 90 percent or more of the total usable wage survey data reflect rates paid on a straight-time basis only.

(ii) When sufficient incentive and piece-work rate data are obtained, the full incentive rate shall be used in computing the job weighted average rate when it is equal to or less than the average nonincentive rate. If the full incentive rate is greater than the average nonincentive rate, the incentive rate shall be discounted by 15 percent. The discounted incentive rate shall be compared with the guaranteed minimum rate and the average nonincentive rate, and the highest rate shall be used in computing the job weighted average rate.

(b) The lead agency shall compute paylines using the weighted average rates computed under paragraph (a) of this section.

(1) The lead agency shall compute unit and frequency paylines using the straight-line, least squares regression formula: $Y = a + bx$, where Y is the hourly rate, x is grade, a is the intercept of the payline with the Y -axis, and b is the slope of the payline.

(i) The unit payline shall be computed using a weight of one for each of the usable survey jobs and the weighted average rates identified and computed under paragraph (a) of this section.

(ii) The frequency payline shall be computed using a weight equal to the number of weighted matches for each of the usable survey jobs and the weighted average rates identified and computed under paragraph (a) of this section.

(2) Either or both of the lines computed according to paragraph (b)(1) of this section may be recomputed after eliminating survey job data that cause distortion in the lines.

(3) The lead agency may compute midpoint paylines using the following formula: $Y = (a_u + a_f)/2 + ((b_u + b_f)/2)x$, where Y is the hourly rate, x is the grade, a_u

is the intercept of the unit payline, a_f is the intercept of the frequency payline, b_u is the slope of the unit payline, and b_f is the slope of the frequency payline. A midpoint line may be computed using the paylines based on all of the usable survey job data as described in paragraph (b)(1) of this section, and a second midpoint line may be computed using the paylines based on limited survey job data authorized in paragraph (b)(2) of this section.

(4) The lead agency may compute other paylines for the purpose of instituting changes in the scope of the survey.

(c) Usable data obtained from a particular establishment may not be modified or deleted in order to reduce the effect of an establishment's rates on survey findings, i.e., data will not be deleted or modified to avoid establishment domination.

[46 FR 21344, Apr. 10, 1981, as amended at 55 FR 46141, Nov. 1, 1990. Redesignated at 55 FR 46141, Nov. 1, 1990; 58 FR 32273, June 9, 1993; 60 FR 62701, Dec. 7, 1995]

§ 532.243 Consultation with the agency wage committee.

(a) The lead agency shall submit to the agency wage committee:

(1) The data collected in the wage survey;

(2) The report and recommendations of the local wage survey committee concerning the use of data;

(3) The lead agency's analysis of the data; and

(4) The lines computed from the data.

(b) After considering the information available to it, the agency wage committee shall report to the lead agency its recommendation for a proposed wage schedule derived from the data.

[46 FR 21344, Apr. 10, 1981. Redesignated at 55 FR 46141, Nov. 1, 1990]

§ 532.245 Selection of payline and issuance of wage schedules.

(a) The lead agency shall select a payline and construct wage schedules therefrom for issuance as the regular wage schedules for the wage area, after considering all of the information, analysis, and recommendations made available to it pursuant to this subpart.